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February 10, 2012

VIA ECFS

Marlene H. Dortch, Secretary Federal Communications Commission 445 12th Street Washington, D.C. 20554

Re: Q LINK WIRELESS LLC

Compliance Plan

WC Docket No. 09-197

Dear Ms. Dortch:

Pursuant to the Federal Communications Commission Order *In the Matter of Lifeline and Link Up Reform and Modernization* released February 6, 2012, attached please find Q LINK WIRELESS LLC's Compliance Plan (WC Docket No. 09-197).

If you have any questions or if I may provide you with additional information, please do not hesitate to contact me. Thank you for your assistance.

Respectfully submitted,

/s/ LANCE STEINHART

Lance J.M. Steinhart Attorney for Q LINK WIRELESS LLC

cc: Issa Asad

Before the **Federal Communications Commission** Washington, D.C. 20554

In the Matter of the)	
Federal-State Joint Board on Universal Service)	CC Docket No. 96-45
Telecommunications Carriers Eligible for Universal Service Support)	WC Docket No. 09-197
Forbearance from 47 U.S.C. § 214(e)(1)(A))	

Q LINK WIRELESS LLC'S COMPLIANCE PLAN

Q LINK WIRELESS LLC ("Q LINK" or the "Company") is a prepaid wireless telecommunications carrier seeking designation as an Eligible Telecommunications Carrier ("ETC") solely for the purpose of participating in the Lifeline program, and will avail itself of forbearance from the facilities requirement contained in section 214(e)(1)(A) as granted in the Federal Communications Commission's ("Commission") Order released February 6, 2012. OLINK, by its attorney, hereby files its compliance plan outlining the measures it will take to implement the conditions of forbearance outlined in the Order. Given the severe economic environment that is forcing many lower-income customers to forego wireless service, Q LINK respectfully requests expeditious approval of this plan so that the Company, upon designation as an ETC, may quickly deploy much-needed Lifeline services to qualified low-income customers.

¹ In the Matter of Lifeline and Link Up Reform and Modernization, Lifeline and Link Up, Federal-State Joint Board on Universal Service, Advancing Broadband Availability Through Digital Literacy Training, WC Docket No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 (rel. Feb. 6, 2012) ("Order").

BACKGROUND

In the *Order*, the Commission granted forbearance from the "own-facilities" requirement contained in Section 214(e)(1)(A) for carriers that are, or seek to become, Lifeline-only ETCs, subject to the following conditions:²

- (1) the carrier must comply with certain 911 requirements [(a) providing its Lifeline subscribers with 911 and E911 access, regardless of activation status and availability of minutes; (b) providing its Lifeline subscribers with E911-compliant handsets and replacing, at no additional charge to the subscriber, noncompliant handsets of Lifeline-eligible subscribers who obtain Lifeline-supported services; and (c) complying with conditions (a) and (b) starting on the effective date of this Order]; and
- (2) the carrier must file, and the Bureau must approve, a compliance plan that: (a) outlines the measures the carrier will take to implement the obligations contained in this Order, including but not limited to the procedures the ETC follows in enrolling a subscriber in Lifeline and submitting for reimbursement for that subscriber from the Fund, materials related to initial and ongoing certifications and sample marketing materials, as well as further safeguards against waste, fraud and abuse the Bureau may deem necessary; and (b) provides a detailed description of how the carrier offers service, the geographic areas in which it offers service, and a description of the carrier's various Lifeline service plan offerings, including subscriber rates, number of minutes included and types of plans available.

COMPLIANCE PLAN

Q LINK will comply with all conditions set forth in the *Order*, the provision of this Compliance Plan, and all laws and regulations governing its provision of Lifeline-supported prepaid wireless service to customers throughout the United States.

I. Access to 911 and E911 Services

In the *Order*, the Commission requires Q LINK to provide its Lifeline customers with access to 911 and E911 services, regardless of activation status and availability of minutes.³ The Commission and consumers are hereby assured that all Q LINK customers will have available access to emergency calling services at the time that Lifeline service is initiated, and that such 911

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² See Order at ¶¶ 368, 373 and 379.

³ See Order at \P 373.

and E911 access will be available from Q LINK handsets even if the account associated with the handset has no minutes remaining.

II. E911-Compliant Handsets

The Commission also conditioned its grant of forbearance determination on Q LINK providing only E911-compliant handsets to its Lifeline customers.⁴ Q LINK will ensure that all handsets used in connection with the Company's Lifeline service offering are E911-compliant. In the event that an existing Q LINK customer does not have an E911-compliant handset, the Company will replace it with a new 911/E911-compliant handset at no charge to the customer. Any new customer that qualifies for and enrolls in the Lifeline program is assured of receiving a 911/E911-compliant handset as well, free of charge.

III. Certification of Lifeline Eligibility

Q LINK proposes the following plan to implement the certification and verification conditions outlined in the *Order*. Q LINK intends to keep these measures in effect until such time as the Commission implements its planned national eligibility database. Q LINK shares the Commission's concern about abuse of the Lifeline program and is thus committed to the safeguards stated herein, with the belief that the procedures it will implement will prevent Company customers from engaging in such abuse of the program, inadvertently or intentionally.

A. Policy

Q LINK will comply with all certification and verification requirements for Lifeline eligibility established by states where it is designated as an ETC. In states where there are no state-imposed requirements, Q LINK will comply with the certification and verification procedures in effect in that state as reflected on the website of the Universal Service Administration Company. For any states which do not mandate Lifeline support and/or which do not have established rules of

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⁴ See id.

procedure in place, Q LINK will certify at the outset and will verify annually consumers' Lifeline eligibility in accordance with the Commission's requirements.

B. Certification Procedures

Q LINK will implement certification procedures that enable consumers to demonstrate their eligibility for Lifeline assistance by contacting the Company in person or via telephone, facsimile, or the internet. At the point of sale, consumers will be provided with printed information describing Q LINK's Lifeline program, including eligibility requirements, and with instructions for enrolling. Consumers will be signed up in person or directed, via company literature, collateral or advertising, to a toll-free telephone number and to the Company website, which will contain a link to information regarding the Company's Lifeline service plans, including a detailed description of the program and state-specific eligibility criteria. Q LINK's application form will identify that it is a "Lifeline" application. Except in states in which applicants are enrolled through a designated state agency, Q LINK will have direct contact with all customers applying for Lifeline service, either in person through its employees, agents or representatives, or via the telephone (including facsimile) or mail. Q LINK will provide Lifeline-specific training to all personnel, whether employees, agents or representatives, that interact with actual or prospective consumers with respect to obtaining, changing or terminating Lifeline services.

Consumers who do not complete the application process in person must return the signed application and support documentation to the Company by mail, fax, email or other electronic transmission. The Company will accept electronic signatures that meet the requirements of the Electronic Signatures in Global and National Commerce Act, 15 USC 7001-7006, and any applicable state laws, and may verify consumers' signatures via interactive voice response (IVR) systems. Processing of consumers' applications, including review of all application forms and relevant documentation, will be performed under the Company's supervision by managers

experienced in the administration of the Lifeline program.

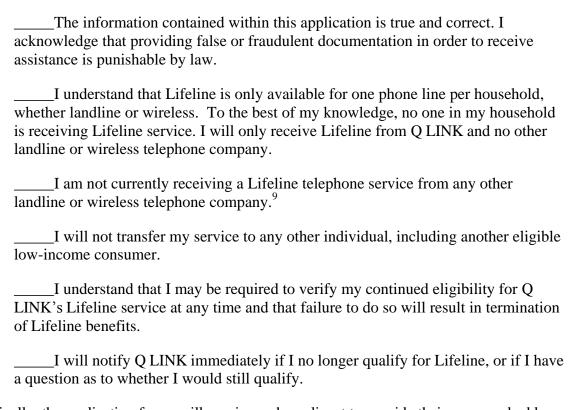
Q LINK will ensure that all required documentation is taken care of properly by using statespecific compliance checklists. For states with program-based eligibility criteria, the form will list each of the qualifying programs, and the applicant will be required to identify the program(s) in which they participate, and to furnish proof that they currently participate in such program(s), regardless of whether such proof is required pursuant to state law. For states with income-based eligibility criteria, the applicant will be required to certify under penalty of perjury that their household income does not exceed the relevant threshold (e.g., 135% of the Federal Poverty Guidelines for federal default states) and will be required to provide proof of income-based eligibility. Q LINK will not retain copies of proof documentation, but rather will maintain accurate records detailing how the consumer demonstrated his or her eligibility.⁵ O LINK will check the eligibility of low-income consumers seeking to enroll in Lifeline either by accessing electronic eligibility databases, where available, or by reviewing documentation from the consumer demonstrating his/her eligibility for Lifeline service. Where the Company is able to access a state or federal database to make determinations about customer eligibility, the Company is not required to obtain proof documentation; in such case Q LINK or its representative will note in its records what specific data was relied upon to confirm the consumer's initial eligibility for Lifeline.⁶ In instances where a state agency or third-party administrator is responsible for the initial determination of consumer eligibility, Q LINK will rely on the state identification or database.⁷

In addition, the Lifeline application form will include a certification section where the applicant must attest and sign under penalty of perjury that the applicant's representations are true and correct. Applicants will also be required to initial a number of disclosure statements intended to

⁵ See Order at ¶ 101. ⁶ See Order at ¶ 98

⁷ See id.

ensure that the applicant understands applicable eligibility requirements—including a statement to the effect that to the best of his or her knowledge, the applicant is not receiving Lifeline-supported service from any other Lifeline provider. Penalties for perjury will be clearly-stated on the certification form. The certification form will also contain language stating that violation of the one-per-household requirement constitutes a violation of the Commission's rules and will result in the consumer's de-enrollment from the program, and could result in criminal prosecution by the United States government.⁸ Although the exact wording of the disclosure statements described above may vary on a state-by-state basis, depending on state-specific requirements and/or consultations with relevant state agencies, Q LINK expects the substance of these disclosures to be consistent with the following statements:



Finally, the application forms will require each applicant to provide their name and address.

⁸ See Order at ¶ 121.

⁹ Prior to initialing this statement, applicants will be provided with the names of leading wireline and wireless Lifeline providers in the area.

In accordance with the Order, Q LINK will obtain the consumer's residential address, which the consumer must indicate is his or her permanent address, and a billing address for the service (if the consumer's billing address differs from his or her residential address). The application form will clearly state that Lifeline participants must provide their new address to the Company within 30 days of moving. 11 Q LINK will incorporate this information into its customer information database. Prior to initiating service for a customer, the Company will check the address of each Lifeline applicant against its database to determine whether or not it is associated with a customer that already receives Q LINK Lifeline service, and will then review the application to ascertain whether the applicant is attempting to receive Lifeline-supported service for more than one handset associated with its household. 12 If the Company determines that an individual at the applicant's residential address is currently receiving Lifeline-supported service, the Company will take an additional step to ensure that the applicant and the current subscriber are part of different households. 13 In order to make this demonstration, Q LINK will require applicants to complete and submit to the Company a written document which will be developed by USAC. Q LINK will deny the Lifeline application of any individual residing at the same address as a current Lifeline subscriber who is part of the same household, and will advise the applicant of the basis for the denial.

In addition, prior to requesting a subsidy, Q LINK will process and validate its subsidy data to prevent Duplicate Same-Month Lifeline Subsidies ("Double Dip," i.e., any household that is already receiving a Lifeline subsidy from the Company will be automatically prevented from receiving a second lifeline subsidy in that same month). Q LINK also will immediately de-enroll

See Order at ¶ 85.
See Order at ¶¶ 85,117.

¹² The Company will operate under the definition of "household" established by the *Order*. See Order at ¶¶ 29, 74; see also revised section 47 CFR § 54.400(h).

¹³ See Order at \P 78.

any subscriber whom the Company knows is receiving Lifeline-supported service from another ETC or knows is no longer eligible.

C. Annual Verification Procedures

As required by the Commission's Order, Q LINK will require every consumer enrolled in the Lifeline program to verify on an annual basis that he or she receives Lifeline-supported service only from Q LINK and, to the best of his or her knowledge, no one else in the subscriber's household is receiving a Lifeline-supported service.¹⁴ Pursuant to the new rule adopted in the Order, Q LINK will re-certify the eligibility of its Lifeline subscriber base as of June 1, 2012 by the end of 2012 and report the results to USAC by January 31, 2013. This re-certification may be done on a rolling basis throughout the year. Where ongoing eligibility cannot be determined through access to a qualifying database either by the Company or the state, and there is no state administrator verifying the continued eligibility of Lifeline subscribers, the Company will recertify the continued eligibility of all of its subscribers by contacting them—either in person, in writing, by phone, by text message, by email, or otherwise through the Internet—to confirm their continued eligibility.¹⁷ Such certifications may be obtained through a written format, an IVR system, or a text message, in accordance with the Order. 18 In states where a state agency or a third party has implemented a database that carriers may query to re-certify the consumer's continued eligibility, the Company (or state agency or third-party, where applicable) will instead query the database and maintain a record of what specific data was used to re-certify eligibility and the date of re-certification.¹⁹

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¹⁴ See Order at ¶ 120.

¹⁵ See Order at \P 130.

¹⁶ See id.

¹⁷ See id. After 2012, the Company may elect to have USAC administer the self-certification process on its behalf, *Order* at ¶ 133.

¹⁸ See Order at ¶ 132.

¹⁹ See Order at ¶ 131.

The notice will explain the actions the customer must take to retain Lifeline benefits, when Lifeline benefits may be terminated, and how to contact Q LINK. Consistent with the Order, the Company will provide written notice of impending service termination to subscribers who do not respond to the annual re-certification within 30 days. Anyone who does not respond to the impending termination letter within 30 days to demonstrate that his or her Lifeline service should not be terminated will be de-enrolled from the Company's Lifeline program.²⁰

IV. Additional Measures to Prevent Waste, Fraud, and Abuse

Non-usage Policy A.

As required by the Order, Q LINK will implement a non-usage policy whereby it will deenroll Lifeline customers that have not used the Company's Lifeline service for 60 days.²¹ O LINK will notify its subscribers at service initiation about the non-transferability of the phone service, its usage requirements, and the de-enrollment and deactivation that will result following non-usage in any 60-day period of time.²² If no usage appears on a Q LINK Lifeline customer's account during any continuous 60-day period, Q LINK will deactivate Lifeline services for that customer. An account will be considered active if during any 60-day period the authorized subscriber does at least one of the following: makes a monthly payment; purchases minutes from the ETC to add to an existing pre-paid Lifeline account; completes an outbound call; answers an incoming call from anyone other than the ETC, its representative, or agent; or affirmatively responds to a direct contact from the ETC confirming that he or she wants to continue.²³

²⁰ See Order at ¶¶ 141-142. ²¹ See Order at ¶¶ 257-263. ²² See Order at ¶ 257.

²³ See Order at \P 261.

B. **Customer Education with Respect to Duplicates**

To supplement its verification and certification procedures, and to better ensure that customers understand the Lifeline service restrictions with respect to duplicates, Q LINK will implement measures and procedures to prevent duplicate Lifeline benefits being awarded to the same household. These measures entail additional emphasis in written disclosures as well as live due diligence, and will help ensure that only eligible consumers enroll in the program and that those consumers are fully informed of the limitations of the program, so as to prevent duplicative or otherwise ineligible service as well as other forms of waste, fraud, and abuse.

In its marketing materials, including application forms, and in its direct contact with applicants, the Company will emphasize in plain, easily comprehensible language that: (1) Lifeline is a federal benefit; (2) Lifeline service is available for only one line per household; (3) a household is defined, for purposes of the Lifeline program, as any individual or group of individuals who live together at the same address and share income and expenses; and (4) a household is not permitted to receive Lifeline benefits from multiple providers.²⁴ Q LINK will also include in its marketing materials substantially the following information in clear, easily understood language: the offering is a Lifeline-supported service; that only eligible consumers may enroll in the program; what documentation is necessary for enrollment; and the program is limited to one benefit per household, consisting of either wireline or wireless service.²⁵ Moreover, Q LINK will disclose the company name under which it does business and the details of its Lifeline service offerings.²⁶ In order to reinforce the limitation of one Lifeline phone per household, the following statement will appear in the Company's marketing materials and

²⁴ See Order at ¶ 121. ²⁵ See Order at ¶ 275.

²⁶ See id.

website (www.qlinkwireless.com) in a conspicuous place, in bold font and in an offsetting color to ensure it is not overlooked:

Note: By law, the Lifeline program is only available for one phone per household

C. Cooperation with state and federal regulators

Q LINK has and will continue to cooperate with federal and state regulators to prevent waste, fraud and abuse, including:

- Providing state commissions (PUC), the FCC or USAC upon request with data that will enable that state, the FCC or USAC to determine whether some consumers are enrolled in more than one Lifeline program. Specifically, the Company agrees to make available state-specific customer data, including name and address, upon request to each state PUC where it operates, the FCC or USAC for the purpose of permitting the PUC, FCC or USAC to determine whether an existing Lifeline customer receives Lifeline service from another carrier, and will participate in such a duplicate resolution process, provided that costs for participation are reasonable or defrayed through the universal service contribution mechanisms:
- Promptly investigate any notification that it receives from a state PUC, the FCC or USAC that one of its customers already receives Lifeline service from another carrier;
- Immediately deactivate a customer's Lifeline service and no longer report that customer on USAC Form 497 if the Company's investigation, a state, the FCC or USAC concludes that the customer receives Lifeline services from another carrier in violation of the Commission's regulations and that the Company's Lifeline service should be discontinued such as a de-enrollment notification pursuant to the FCC's June 17, 2011 Report and Order (Section III, B.).

V. Lifeline Offering

Q LINK will offer its Lifeline service in the states where it is designated as an ETC and throughout the coverage area of its underlying carrier, Sprint. As summarized in Exhibit A attached hereto, the Company's Lifeline offering will provide customers with the option to choose between three (3) Lifeline Plans²⁷ that best meets their needs:

²⁷ Q LINK's Lifeline Plans vary from state to state in accordance with state requirements or Tribal offerings; the

- 1. <u>Plan 1: 68 Monthly Minutes</u>. Under Plan 1, eligible customers enjoy 68 anytime minutes that rollover and free international long distance.²⁸ Text messaging is at the rate of one-third of one minute (3 texts = 1 minute).
- 2. <u>Plan 2: 125 Monthly Minutes</u>. Under Plan 2, eligible customers enjoy 125 anytime minutes that rollover. Text messaging is at the rate of one minute (1 text = 1 minute).
- 3. <u>Plan 3: 250 Monthly Minutes</u>. Under Plan 3, eligible customers enjoy 250 anytime minutes. Minutes do not rollover. Text messaging is at the rate of one minute (1 text = 1 minute).

Customers have the capability of purchasing additional bundles of minutes in denominations as low as \$9.99, \$19.99, \$29.99, and \$59.99.²⁹ Airtime replenishment cards will be made available at retail outlets frequented by low-income customers throughout the Company's Service Area. In addition to free voice services, all of Q LINK's Lifeline plans will include a free handset and the following Custom Calling features: Caller ID, Call Waiting, and Voicemail. Q LINK does not impose burdensome credit checks or long-term service contracts on its prepaid customers. Customers are not bound by a local calling area requirement; all Q LINK plans come with domestic long distance at no extra per minute charge and exceptional nationwide digital coverage on the Nationwide Sprint PCS Network. Calls to 911 emergency services are always free, regardless of service activation or availability of minutes. Calls to Q Link customer service are also free.

three Lifeline plans outlined in this compliance plan are the offerings available in most states. Please see the Company's website (www.qlinkwireless.com) for more detailed information regarding plans available in each state. ²⁸ If you are on Plan 1, there is no additional charge for international long distance to countries designated at

www.qlinkwireless.com. 29 \$9.99 = 50 minutes, \$19.99 = 120 minutes, \$29.99 = 200 minutes, and \$59.99 = 450 minutes.

CONCLUSION

Q LINK submits that its Compliance Plan fully satisfies the conditions of forbearance set

forth in the Commission's Order. Implementation of the procedures described herein will promote

public safety and should ensure that Lifeline customers have access to 911 and E911 services while

safeguarding against misuse of the Company's Lifeline services. Accordingly, Q LINK

respectfully requests that the Commission expeditiously approve its Compliance Plan so that the

Company may begin providing the benefits of much-needed Lifeline service to qualifying low-

income consumers as quickly as possible.

Respectfully submitted,

Q LINK WIRELESS LLC

/s/ LANCE STEINHART

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Its Counsel

Dated February 10, 2012

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Exhibit A

Lifeline Offering

Lifeline Service Rates

Plan 1: 68 Monthly Minutes Plan*

68 anytime minutes per month

(texts are one-third of one minute, i.e. 3 texts = 1 minute)

Net cost to Lifeline customer: **\$0** (free)

*This package includes:

- Free handset
- Free calls to Customer Service
- Free calls to 911 emergency services
- Free Voicemail, Caller-ID, and Call Waiting
- 68 anytime minutes (unused minutes rollover)
- Free Domestic Long Distance
- Free International Long Distance to countries designated at www.qlinkwireless.com (listed below)

Plan 2: 125 Monthly Minutes Plan*

125 anytime minutes per month

(texts are one minute, i.e. 1 text = 1 minute)

Net cost to Lifeline customer: **\$0** (free)

*This package includes:

- Free handset
- Free calls to Customer Service
- Free calls to 911 emergency services
- Free Voicemail, Caller-ID, and Call Waiting
- 125 anytime minutes (unused minutes rollover)
- Free Domestic Long Distance

Plan 3: 250 Monthly Minutes Plan*

250 anytime minutes per month

(texts are one minute, i.e. 1 text = 1 minute)

Net cost to Lifeline customer: **\$0** (free)

*This package includes:

- Free handset
- Free calls to Customer Service
- Free calls to 911 emergency services
- Free Voicemail, Caller-ID, and Call Waiting
- 250 anytime minutes (unused minutes *do not* rollover)
- Free Domestic Long Distance

International Long Distance

Free International Calling Destinations on the 68 Monthly Minutes Plan

(Certain special or off-network locations may be excluded from the Free International Long Distance. Calls to cellular phones are not included unless the word "Cellular" is specifically listed next to the country name. Numbers in parentheses () indicate the Country Code.)

Albania-Tirana (355) Andorra (376) Argentina (54) Australia (61) Austria (43) Bahamas-Cellular (1) Bahamas (1)

Bangladesh-Cellular (880) Bangladesh-Chittagong

(880)

Bangladesh-Dhaka (880) Bangladesh-Sylhet (880)

Belgium (32)

Bermuda-Cellular (1)

Bermuda (1)

Bolivia-La Paz (591) Bolivia-Santa Cruz (591)

Brazil (55)

Brunei-Cellular (673)

Brunei (673) Bulgaria (359) Canada-Cellular (1)

Canada (1) Chile (56)

China-Cellular (86)

China (86)

Columbia-Cellular (57) Columbia (57)

Costa Rica (506) Croatia (585)

Cyprus-Cellular (357)

Cyprus (357)

Czech Republic (420)

Denmark (45)

Dominican Republic (1)

Estonia (372) Finland (358) France (33)

French Antilles (594) French Guiana-Cellular

(594)

French Guiana (594) Georgia (995)

Germany (49) Gibraltar (350) Greece (30)

Guadeloupe (590)

Guatemala-Telgua (502) Hong Kong-Cellular (852)

Hong Kong (852) Hungary (36) Iceland (354) India-Cellular (91)

India (91)

India (91) Indonesia-Cellular (62) Indonesia-Jakarta (62) Indonesia-Surabaya (62) Iraq-Baghdad (964)

Ireland (353) Israel (972) Italy (39) Japan (81) Jordan (962) Kazakhstan (7) Kenya-Nairobi (254)

Lithuania (370) Luxembourg-Cellular

(352)

Luxembourg (352) Macao-Cellular (853)

Macao (853)

Malaysia-Cellular (60)

Malaysia (60) Malta (356) Mexico (52)

Monaco (377) Netherlands (31)

New Zealand (64)

Norway (47) Panama (507) Paraguay (595)

Peru (51) Poland (48) Portugal (351)

Romania (40) Russia-Cellular (7)

Russia (7)

San Marino-Cellular (378)

San Marino (378)

Saudi Arabia-Riyadh (966) Singapore-Cellular (65)

Singapore (65) Slovakia (421) Slovenia (386)

South Korea-Cellular (82)

South Korea (82) Spain (34) Sweden (46) Switzerland (41) Taiwan-Cellular (886)

Taiwan (866) Thailand (66) Turkey (90)

United Kingdom (44)

Uzbekistan (7) Venezuela (58)

Vietnam-Ho Chi Minh

City (84) Zambia (260)